

Can knowledge of Protection Claims support financial advice?

Irish Life Claims 2015

Whatever the economic outlook, individuals and families need to protect themselves against the unexpected. However it sometimes can be difficult to really demonstrate the benefits of our products. Talking about actual claims paid is one way of overcoming inertia. Once potential customers realise that the unexpected does happen to real people, just like them, they will quickly realise how exposed they may be financially by a sudden death or life threatening illness.

A comprehensive analysis of protection claims paid in 2015 by Irish Life has shown some facts and trends that may be of interest to you as a financial broker.

Value of claims paid on average every working day during 2015 by Irish Life

Specified Illness Insurance	€192,042
Death	€412,335
Total	€604,377

Who pays the most protection death and Specified Illness Claims (SIC) in Ireland?

Irish Life was the biggest payer of death and SIC claims in Ireland in 2015. Historically, in the last 10 years (2006 to 2015), under the Irish Life brand we have paid 12,268 death claims to the value of €789 million and 5,414 SIC claims to the value of €338 million.

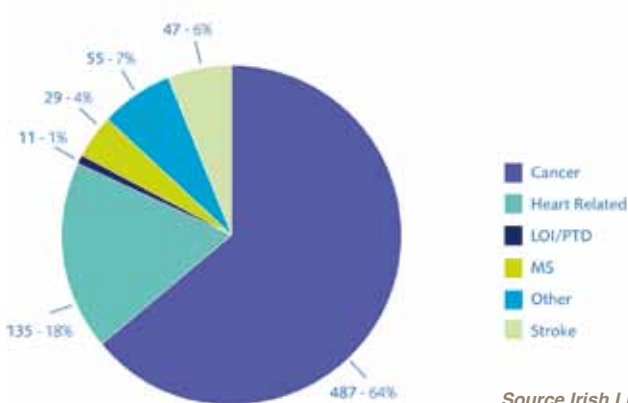
Outlined below are some key findings from Irish Life's analysis of individual claims paid during 2015.

Summary of Irish Life claims 2015	Death Claims	Specified Illness Claims
Number of claims paid	1,551	764
Amount paid	€103.1m	€48m
Average adult claim amount	€66,462	€62,841
Average age of claimant	63	52
Average duration inforce	16 years	12 years
Adult claims – male/female split	65%/35%	58%/42%
Partial payment SIC claims	n/a	9
Number of Child claims – up to age 21 "Free benefit"	48	19

Under specified illness insurance, the biggest cause of claim continues to be malignant cancer (64%), heart related (18%), stroke (6%), multiple sclerosis (4%). We paid 47 heart attack claims and 47 stroke claims during 2015.

9 partial payment SIC claims were paid during 2015. Irish Life have paid 75 such claims in total over the last 6 years, with the biggest single category being for ductal carcinoma in-situ of the breast, leading to mastectomy or surgical removal.

SPECIFIED ILLNESS - 2015



Source Irish Life

Specified Illness Claims – Cancer

Top 5 Types	Number of claims paid
Breast	120
Prostate	78
Lung	26
Colon	26
Kidney	19

Source Irish Life

"We paid over 98% of all death claims and 90% of specified illness claims, that we received during 2015, which is an outcome we can all be proud of; both as an insurer and as a broker when giving advice to your customers"

Martin Duffy, Chartered Insurer, Head of Underwriting and Protection Claims, Irish Life



On the death claim side over 36% of our claims were in the age group 41 to 60, the prime age for parents to ensure that they have adequate life insurance in place. If you look at male lives aged 49 or younger the biggest causes of death are accidents, followed by cancer and then heart related conditions.

If you look at term assurance cover claims paid in 2015 and where the plan was taken out since 2005, the average of 295 such death claims, amount was only €107,000. Only one in five of our death claims was for over €100,000 and average death claim amounts are still extremely low and in no way provide a satisfactory level of family protection. Both of these facts clearly demonstrate that we are not writing high enough sums assured to adequately protect Irish families, even with prices having fallen since 2005!

Some genuinely sudden deaths do occur very shortly after a plan has been started. For example during 2015, we paid a claim on a plan that was just over 6 months in force, in respect of a man in his early 40s who died as a result of heart attack. The amount paid was €180,000. So unfortunately, as we all know from our day to day lives, medical/non accident deaths can sometimes be very unexpected.

"Our largest death claim paid in 2015 was for €938,000 as result of colon cancer for a person in their 50s, under a plan that had been in force less than 3 years"

Irish Life paid 31 terminal illness claims under life assurance plans during 2015, with the average claim amount being €82,561 and with an average plan duration of 9 years. Interestingly, only 12% of death claims paid during 2015 were on lives above age 80.

We paid over 98% of all death claims and 90% of specified illness claims, that we received during 2015, which is an outcome we can all be proud of; both as an insurer and as a broker when giving advice to your customers.

One of the noteworthy reasons why a protection claim is not paid is where there has been a major failure to disclose key material facts on the application for cover, which could also include answers to the smoking related questions. Be very careful when asking customer about their smoking habits, including use of e-cigarettes. Clearly e-cigarettes are probably a good thing overall, but it's important to be aware that some people use both e-cigarettes and also smoke tobacco. For example the UK Office of National Statistics report from November 2014 states that more than 1 in 10 smokers also use e-cigarette, so it's important to be clear when asking customers about their smoking habits.

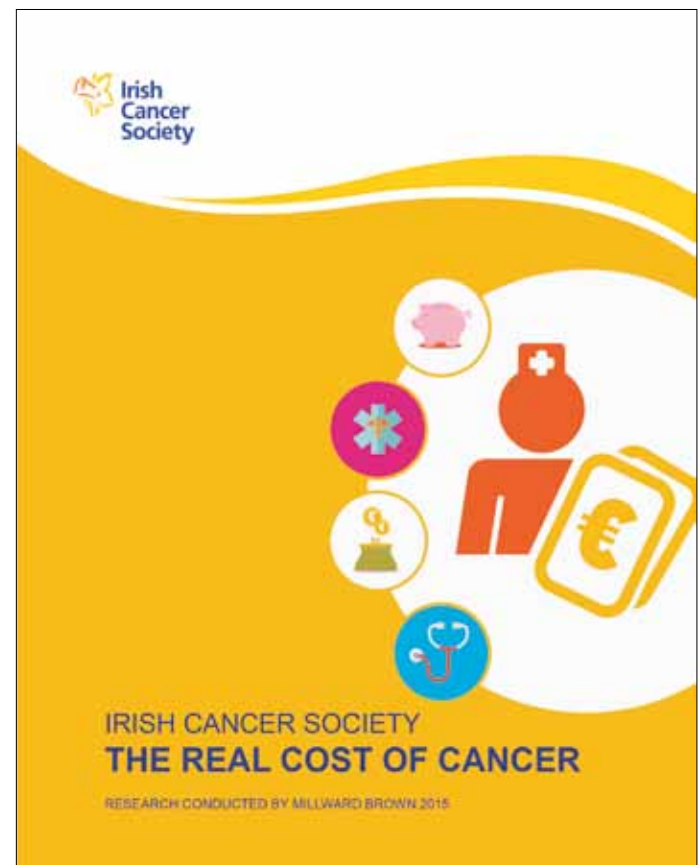
Hopefully you will find that knowledge of Irish Life protection claims during 2015 and our new 2016 claims flyers will support your financial advice to customers.

Focus on financial impact of a malignant cancer diagnosis

Malignant cancer is the single biggest cause of specified illness cover claim. In period 2010 to 2014 Irish Life paid 1888 such claims to the value of €124.1m. Malignant breast and prostate cancer claims accounted for 42% of these cancer claims. We paid 95.5% of malignant cancer claims over this period, a fantastic customer experience outcome. During 2015, Irish Life paid 72% of our specified illness cover claims within 4 weeks of getting the claim form.

If you regularly talk to customers about specified illness and income protection covers in particular, it's really worth your while spending a few minutes looking through a really good brochure produced by the Irish Cancer Society in 2015 'The Real Cost of Cancer'. It looks at the financial impacts and the extra costs associated with a cancer diagnosis. A third of working individuals have to give up work, at least temporarily. To quote from the report "For those working the associated loss in income can be as high as €1400 per month on average".

Specified Illness and Income Protection cover offer a practical solution to help alleviate the very real financial impacts of a malignant cancer diagnosis. As an industry we can do more to make people aware of the benefits of protecting themselves and their families.



Source: www.irishcancer.ie/realcost
Irish Life Assurance plc is regulated by the Central Bank of Ireland